

9650 Health and Dental Benefits for Annuitants

This program provides funding for health and dental benefit services for retired state employees and their dependents.

The program began on January 1, 1962, with an employer contribution of \$5.00 per month toward the cost of a basic health plan. Since then, major medical plans, Medicare, and plans supplementing Medicare have been developed. Dental care was added in 1982.

The 2012-13 employer contribution for health premiums maintains the average 100/90 percent contribution formula established in Government Code Section 22871 for fully vested members. Under this formula, the state averages the premiums of the four largest health benefit plans in order to calculate the maximum amount the state contributes towards retiree health benefits. The state also contributes 90 percent of this average towards the health benefit costs of each of the retiree's dependents.

The retiree is responsible for paying all health benefit plan costs that exceed the state contribution. Premiums are determined on a calendar-year basis; therefore, the state contribution will vary during the fiscal year. The 2012 monthly contribution maximums are \$566 for a single enrollee, \$1,074 for an enrollee and one dependent, and \$1,382 for an enrollee and two or more dependents. The 2013 monthly contribution maximums are \$622 for a single enrollee, \$1,183 for an enrollee and one dependent, and \$1,515 for an enrollee and two or more dependents. Dental care premiums vary by plan and number of dependents.

Effective July 1, 2012, funding for health benefits for California State University annuitants is displayed in Organization Code 6645 under Higher Education. This funding was previously budgeted within Organization Code 9650.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10 Health and Dental Benefits for Annuitants	-	-	-	\$1,504,929	\$1,350,832	\$1,517,046
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$1,504,929	\$1,350,832	\$1,517,046
FUNDING				2011-12*	2012-13*	2013-14*
0001 General Fund				\$1,466,529	\$1,314,883	\$1,513,038
0950 Public Employees Contingency Reserve Fund				38,400	35,949	4,008
TOTALS, EXPENDITURES, ALL FUNDS				\$1,504,929	\$1,350,832	\$1,517,046

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code, Title 2, Division 5, Part 5.

DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Other Baseline Adjustments	\$-	\$-	-	\$198,155	-\$31,941	-
Totals, Other Workload Budget Adjustments	\$-	\$-	-	\$198,155	-\$31,941	-
Totals, Workload Budget Adjustments	\$-	\$-	-	\$198,155	-\$31,941	-
Totals, Budget Adjustments	\$-	\$-	-	\$198,155	-\$31,941	-

* Dollars in thousands, except in Salary Range.

9650 Health and Dental Benefits for Annuitants - Continued**Health Benefits**

Retirement System ¹	Number of Retirees			Cost by System		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
PERS State Employees ²	154,900	133,205	137,696	\$1,394,033	\$1,235,470	\$1,393,310
District Agricultural Employees	355	365	375	3,074	2,759	3,111
Legislators	103	100	97	992	752	849
Teachers	126	116	105	1,039	1,003	1,131
Judges	1,621	1,637	1,654	15,857	14,045	15,839
Totals	157,105	135,423	139,927	\$1,414,995	\$1,254,029	\$1,414,240

¹The cost for retirees' health benefits is based on the following average number of retirees covered from each retirement system.

²Effective 2012-13, Organization 9650 no longer includes California State University annuitant enrollment and expenditures.

9650 Health and Dental Benefits for Annuitants - Continued**Dental Benefits**

Retirement System ¹	Number of Retirees			Cost by System		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
PERS State Employees	128,583	132,832	137,081	\$88,360	\$95,100	\$100,997
District Agricultural Employees	322	328	334	230	252	267
Legislators	100	98	97	77	87	93
Teachers	100	96	91	68	77	82
Judges	1,621	1,661	1,700	1,199	1,287	1,367
Totals	130,726	135,015	139,303	\$89,934	\$96,803	\$102,806

¹ The cost for retirees' dental benefits is based on the following average number of retirees covered from each retirement system.

9650 Health and Dental Benefits for Annuitants - Continued

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,515,187	\$-	\$-
Adjustment per Section 4.21	-25,180	-	-
001 Budget Act appropriation as amended by Chapter 29, Statutes of 2012	-	1,314,883	-
001 Budget Act appropriation	<u>-</u>	<u>-</u>	<u>1,513,038</u>
Totals Available	\$1,490,007	\$1,314,883	\$1,513,038
Unexpended balance, estimated savings	<u>-23,478</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$1,466,529	\$1,314,883	\$1,513,038
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	<u>\$38,400</u>	<u>\$35,949</u>	<u>\$4,008</u>
TOTALS, EXPENDITURES	\$38,400	\$35,949	\$4,008
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$1,504,929	\$1,350,832	\$1,517,046

* Dollars in thousands, except in Salary Range.